

Remarks/Arguments:

This is a reply to the office action of March 23.

The claims have been amended above to obviate all 112 objections raised by the examiner, and voluntary changes have been made to claims 28 and 31, which were not objected to by the examiner.

With respect to the restriction requirement issue in the present matter, the election of claims 22 to 31 was made with traverse. We respectfully disagree with the restriction requirement, particularly because, for the reasons set out below, the present invention is not rendered obvious by the cited prior art. The examiner is asked to reconsider the restriction issue.

In making the obviousness rejections under 35 USC 103, the examiner relied on a combination of Kashiwagi and Graves. Both references were known to the applicant, having been mentioned in the international search report, and were readily overcome both in the international preliminary examination report as well as in the examination procedure at the European Patent Office. The parallel European patent has already been granted.

As the examiner has correctly noted, there is a major difference in the subject matter of the present invention and the teaching of Kashiwagi and Graves: neither reference discloses the engraving of a permanently magnetic plate to transfer indicia to a wet coating composition comprising magnetic or magnetizable particles.

As the examiner observed, Kashiwagi suggests using magnets which have the shape of indicia. Those respectively shaped magnets may be aligned with each other. However, they are never engraved: Kashiwagi fails to teach or suggest the essential

feature of the present invention: that engravings are provided directly in the surface of the body of the permanent magnetic material.

This essential feature is also not taught or suggested in Graves. The examiner correctly observed that Graves suggests applying a magnetizable sheet (e.g. a steel sheet) which is cut in the shape that is desired to be transferred. In other words, in Graves there are no engravings on the surface of the body of permanent magnetic material. Rather, such engravings are provided in a thin sheet which is placed on top of the magnetic material.

Under the circumstances, we must respectfully disagree with the examiner's finding of *prima facie* obviousness. Even Kashiwagi and Graves in combination do not teach all the elements of claim 22. In order to arrive at the invention of claim 22, the skilled person would still have had to modify the combined teachings of Kashiwagi with Graves, i.e. by providing engravings on the surface of the body of permanent magnetic material itself. It is established case law (also according to the KSR/Teleflex decision of the Supreme Court) that the examiner must show that there was indeed a clear motivation for the skilled person to modify the teaching of the prior art in the direction of the claimed invention. Applicant respectfully submits that the examiner has failed to make such a motivation credible.

Applicant invites the examiner to reconsider the issue of obviousness in light of the following considerations:

Kashiwagi provides no suggestion to form engravings in the form of indicia in the surface of the body of permanent magnetic material. Rather, Kashiwagi's solution is limited to the finding that one could transfer indicia by using bodies of permanent magnetic materials *themselves having* the shape of the desired indicia.

Graves actually goes in another direction. Graves; engravings are made in a thin sheet which is subsequently applied onto a body of permanent magnetic material.

Applicant respectfully submits that Graves had a good reason for using an additional sheet instead of engraving the surface of the permanent magnetic material itself.

Permanent magnetic materials are without exception hard and brittle. It is not easy to generate engravings in the surface of such a hard and brittle material. Accordingly, in the art a direct processing of the magnetic materials has been avoided to the extent possible. To our knowledge, no one in this art has ever attempted or even suggested generating engravings within the surface of a permanent magnetic material.

In summary, the examiner's conclusion in the office action that it would have been obvious for a skilled person to provide the engravings directly within the surface of the magnetic material instead of an additional thin sheet, as suggested by Graves, is not correct. There were clear reasons for using the additional thin sheet.

The present inventors' invention lies in the highly unexpected finding that providing engravings in the surface of the permanent magnetic material itself provides a benefit which outweighs the above-mentioned drawbacks. The inventors surprisingly found that there is a major benefit associated with providing engravings directly in the surface of a permanent magnetic material: the resulting indicia – which are transferred into a wet coating composition comprising magnetically orientable particles – are much sharper than conventionally produced indicia, for example, indicia transferred with the aid of the device taught by Graves. As shown in figures 2 to 5 of the present application, indicia engraved in the surface of a permanent magnetic material can be transferred with hitherto unavailable sharpness into a coating composition.

This surprising effect was not predicted anywhere in the prior art. As described in figures 1a to 1c and the related passages in the present specification, the inventors believe that this effect is due to sharp magnetic field N-S transitions at the edges of the engraving. As shown in figure 1c, which corresponds to the teaching of Graves, no

such sharp magnetic field N-S transitions occur with Graves. In consequence, Graves is not able to create sharp indicia in a wet coating composition.

The fact that the device of the present invention provides a different magnetic field than the device taught by Graves can be simply demonstrated: the inventors have tested the magnetic field generated (1) by a device according to the present invention and (2) by a device according to Graves, with a foil capable of detecting the created magnetic field.

We refer the examiner's attention to the enclosed Declaration of Nathalie Benninger-Junod, which reports on her comparative evaluation of the present invention and the closest prior art (Graves). The superiority of the present invention is visually obvious (page 3 of the declaration). With the device according to the present invention, one sees clearly within the foil the character engraved into the surface of the permanent magnetic material. On the other hand, with the device of Graves, one cannot see a character engraved into the thin sheet within the foil. Should examiner wish it, we will deliver the original samples of said tests for inspection.

In summary, applicants firmly believe that there was no incentive for the ordinarily skilled person to modify the teachings of Kashiwagi and Graves in such a way that he would have arrived at the present invention. Further, the remarkably superior results produced by the device now claimed over the prior art are surprising. For those two reasons, we submit that the invention defined by the claims (21 - 32) are not rendered obvious by the cited prior art, and that this application is now in proper condition for allowance.

Respectfully,

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